

SUEZ Water Delaware  
Minimum Filing Requirements of the Delaware Public Service Commission  
**Statement of Operating Income and Proposed Revenue Requirements**  
Per Books and Pro Forma for the Test Year Ended September 30, 2015

Delaware Public Service Commission  
Company: SUEZ Water Delaware  
Docket No. \_\_\_\_\_

Witness Responsible:  
Loy

Line No.	Description ( a )	Per Books Test Year ( b )	Test Period Adjustment ( c )	Adjusted Test Period ( d )	Under Proposed Rates	
					Adjustments ( e )	Pro Forma ( f )
1	Operating Revenues	\$ 26,730,582	\$ (1,966,977)	\$ 24,763,605	\$ 4,943,665	\$ 29,707,270
	Operating Expenses:					
2	Operation and Maintenance	\$ 12,762,141	\$ 840,450	\$ 13,602,591	\$ 37,567	\$ 13,640,158
3	Depreciation and Amortization	3,165,586	491,206	3,656,792	-	3,656,792
4	Taxes Other than Income	1,711,810	144,130	1,855,940		1,855,940
5	Total Operating Expenses	\$ 17,639,536	\$ 1,475,786	\$ 19,115,323	\$ 37,567	\$ 19,152,890
6	<b>Total Operating Income before Income Taxes</b>	<b>\$ 9,091,046</b>	<b>\$ (3,442,763)</b>	<b>\$ 5,648,283</b>	<b>\$ 4,906,098</b>	<b>\$ 10,554,380</b>
	Income Taxes:					
7	State Income Taxes	\$ 320,778	\$ -	\$ 320,778	\$ 426,831	\$ 747,609
8	Federal Income Taxes	1,152,089	14,013	1,166,102	1,567,744	2,733,846
9	Total Income Taxes	\$ 1,472,867	\$ 14,013	\$ 1,486,880	\$ 1,994,574	\$ 3,481,454
10	<b>Operating Income</b>	<b>\$ 7,618,179</b>	<b>\$ (3,456,776)</b>	<b>\$ 4,161,402</b>	<b>\$ 2,911,524</b>	<b>\$ 7,072,926</b>
11	<b>Rate Base</b>	<b>\$ 82,602,288</b>	<b>\$ 7,080,334</b>	<b>\$ 89,682,623</b>	<b>\$ -</b>	<b>\$ 89,682,623</b>
12	Rate of Return			4.64%		7.89%
13	Required Rate of Return			7.89%		
14	Required Operating Income			\$ 7,072,953		
15	Operating Income Deficiency			2,911,550		
16	GCRF			1.6979		
17	Revenue Deficiency			\$ 4,943,665		
18	Net Increase Percentage			19.96%		

SUEZ Water Delaware  
Minimum Filing Requirements of the  
Delaware Public Service Commission

Schedule No. 1

**OVERALL FINANCIAL SUMMARY**

Delaware Public Service Commission  
Company: SUEZ Water Delaware  
Docket No. \_\_\_\_\_

Witness Responsible:  
Loy

Line No.	Description	Test Year <sup>1</sup>		Utility Proposed Test Period	
		Ref. Sched.	Amount	Ref. Sched.	Amount
1	Rate Base	2	\$ 89,682,623	2	\$ 89,682,623
2	Net Operating Income	3	\$ 4,161,402	3	\$ 7,072,926
3	Earned Rate of Return	L2/L1	4.64%		7.89%
4	Proposed Rate of Return	4	7.89%	4	7.89%
5	Required Operating Income	L1xL4	\$ 7,072,926		\$ 7,072,926
6	Operating Income Deficiency	L5-L2	\$ 2,911,524		\$ -
7	Gross Revenue Conversion Factor	5	1.70	5	1.70
8	Revenue Deficiency		\$ 4,943,665		\$ -
9	<b>Revenue Increase Requested</b>		<b>\$ 4,943,665</b>		<b>\$ -</b>

Note: 1) Adjusted Test Period Ending September 30, 2015

## SUEZ Water Delaware

**INCOME TAX CALCULATION**  
At present and Proposed Rates

Delaware Public Service Commission  
 Company: SUEZ Water Delaware  
 Docket No. \_\_\_\_\_

Witness Responsible:  
 Loy

Line No.	Description ( a )	As Adjusted Present Rates ( b )	At Proposed Rates ( c )
1	Revenues	\$ 24,763,605	\$ 29,707,270
2	Less: Operating Expenses	\$ 19,115,323	\$ 19,152,890
3	Less: Interest Expense	2,169,533	2,169,533
4	<b>Total Deductions</b>	<b>\$ 21,284,856</b>	<b>\$ 21,322,423</b>
5	Taxable Income: State (L1 - L4)	\$ 3,478,749	\$ 8,384,847
6	State Income Taxes @ 8.7% (L5 x .087)	302,651	729,482
7	Amortization of Flow Through Tax	18,127	18,127
8	<b>Total State Income Tax</b>	<b>\$ 320,778</b>	<b>\$ 747,609</b>
9	Federal Taxable Income (L5 - L6)	\$ 3,176,098	\$ 7,655,365
10	Federal Income Taxes at 35% (L9 x .35)	1,111,634	2,679,378
11	Amortization of ITC	(14,013)	(14,013)
12	Net Federal Income Tax	\$ 1,097,621	\$ 2,665,365
13	Amortization of Flow Through Tax	68,481	68,481
14	<b>Total Federal Income Tax</b>	<b>\$ 1,166,102</b>	<b>\$ 2,733,846</b>
<b>Deferred Income Taxes:</b>			
<u>State</u>			
15	Tax Depreciation Over Book	\$ 341,183	341,183
16	State Tax Rate	8.70%	8.70%
17	State Deferred Tax	\$ 29,683	\$ 29,683
18	State Current Income Tax	291,095	717,926
19	<b>State Total Income Tax</b>	<b>\$ 320,778</b>	<b>\$ 747,609</b>
<u>Federal</u>			
20	Tax Depreciation Over Book	\$ 341,183	\$ 341,183
	Less: State Deferred Taxes	29,683	29,683
	Federal Amount	\$ 311,500	\$ 311,500
21	Federal Tax Rate	35.00%	35.00%
22	Federal Deferred Tax	\$ 109,025	\$ 109,025
23	Federal Current Income Tax	1,057,077	2,624,821
24	<b>Federal Total Income Tax</b>	<b>\$ 1,166,102</b>	<b>\$ 2,733,846</b>
<b>Interest Expense:</b>			
25	Rate Base	\$ 89,682,623	\$ 89,682,623
26	Weighted Cost of Debt	2.42%	2.42%
27	<b>Interest Expense (L25 x L26)</b>	<b>\$ 2,169,533</b>	<b>\$ 2,169,533</b>

SUEZ Water Delaware  
Minimum Filing Requirements of the  
Delaware Public Service Commission

**OVERALL FINANCIAL SUMMARY**

Delaware Public Service Commission  
Company: SUEZ Water Delaware  
Docket No. \_\_\_\_\_

Witness Responsible:  
Chuck Loy

MFR

**3.0 FINANCIAL RESULTS OF OPERATIONS**

3.1 Financial Summary

3.1.2 Jurisdiction versus Total Company Results

**Response:**

NOT APPLICABLE

## SUEZ Water Delaware

**SUMMARY OF TEST YEAR ADJUSTMENTS**12 Months Ending 9/30/2015

Delaware Public Service Commission  
 Company: SUEZ Water Delaware  
 Docket No. \_\_\_\_\_

Witness Responsible:  
 Loy

Line No.	Adjustment Source ( a )	Description ( b )	Amount ( c )
1	WP Sch 3B-1	Purchased Water	\$ 260,000
2	WP Sch 3B-2	Purchased Power	(\$78,554)
3	WP Sch 3B-3	Chemicals	(33,339)
4	WP Sch 3B-4	Sewer Connection Expense	139,056
5	WP Sch 3B-5	Customer Care and Costs - Quarterly to Monthly Billing	(32,155)
6	WP Sch 3B-6	Recovery of DBRC Charge (15-Year Amort.)	20,000
7	WP Sch 3B-7	Recovery of Watershed Protection Program Costs	5,126
8	WP Sch 3B-8	Vehicle Leasing and Related Transportation Costs	132,683
9	WP Sch 3B-9	Cross Connection Survey Costs	30,000
10	WP Sch 3B-10	Property/Real Estate Tax	105,887
11	WP Sch 3B-11	Convenience Cost	87,179
12	WP Sch 3B-12	Management Service Fees	26,186
13	Sch. 3B	Depreciation Expense	491,206
14	WP Payroll Adjustment	Salaries and Wages	454,133
15	WP Payroll Adjustment	Payroll Taxes	38,244
16	WP Payroll Adjustment	Temporary Help	(74,972)
17	WP Payroll Adjustment	Employee Benefits	(209,893)
19	MFR 5.3.13	Rate Case Expenses (4-Year Amortization)	115,000
20			
21			
22			
23			
24			
25		<b>Total Adjustments to Expenses</b>	<b>\$ 1,475,786</b>

SUEZ Water Delaware  
Minimum Filing Requirements of the  
Delaware Public Service Commission

**OVERALL FINANCIAL SUMMARY**

Delaware Public Service Commission  
Company: SUEZ Water Delaware  
Docket No. \_\_\_\_\_

Witness Responsible:  
Larry Finnicum

MFR

**3.0 FINANCIAL RESULTS OF OPERATIONS**

**3.2 Supporting Documentation**

**3.2.1** The following Documents must be filed with the application if presently not on file with the Commission:

- a. Annual Report to Stockholders for applicant, its subsidiaries and its parent for the last five years.
- b. Annual Reports to Federal Regulatory jurisdictions, such as FERC, REA, FCC, etc., as applicable.
- c. SEC 10K Reports for last five years and most recent SEC 10Q Report for applicant or parent. If both applicant and parent have public stockholders, submit for both.
- d. Most recent proxy statement for applicant and parent. If both applicant and parent have public stockholders, then submit for both.
- e. All securities prospectuses for applicant and parent for most recent five year period.

**Response:**

SUEZ Water Delaware is a wholly owned subsidiary of SUEZ Resources, former General Waterworks Corporation, which became a wholly owned subsidiary of United Water Resources with the 1994 merger. United Water Resources became a wholly owned subsidiary of SUEZ, a publically traded French water, wastewater and energy services company, after the 2000 merger. See the corporate organization chart in Section II-A-2. There are no report to stockholders other than that of SUEZ.